

Service Date: January 10, 2007

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF SALISH SHORES)	UTILITY DIVISION
UTILITY CORP., Application to Implement)	
Initial Rates for Water Service in the Salish)	DOCKET NO. D2006.10.146
Shores, Tradewinds, and Trailhead Terrace)	ORDER NO. 6797
Service Areas, at or near Thompson Falls,)	
Montana)	

INTERIM ORDER

History

1. On October 10, 2006, Salish Shores Utility Corp. (Salish Shores) filed an application for approval of initial rates and charges for water service provided to customers in the Salish Shores, Tradewinds, and Trailhead Terrace Service areas at or near Thompson Falls.
2. The rates proposed by Salish Shores are:
 - a. Salish Shores service area, a bi-monthly charge of \$13.16 and a usage charge of \$1.974 per thousand gallons or fraction thereof;
 - b. Tradewinds service area, a bi-monthly charge of \$15.94 and a usage charge of \$1.867 per thousand gallons or fraction thereof;
 - c. Trailhead Terrace service area, a flat bi-monthly rate of \$25.52 or a metered bi-monthly rate of \$9.89 and usage charge of \$2.733 per thousand gallons or fraction thereof.
 - d. Charges for the entire system include customer deposits for new service or previously disconnected service, charges for unauthorized use of service, and late payment fees of 1.0 % per month after an account has a balance left unpaid for 30 days.
3. Salish Shores requested interim rate relief in the amount of \$74,830 in annual revenues and for the rates to become effective January 1, 2007.
4. A Notice of Application and Intervention Deadline was issued on October 30, 2006 with an intervention deadline of November 28, 2006. There were no intervenors in the Docket.

Findings of Fact

1. Upon review, the PSC finds the initial rates and charges as filed in this application to be just and reasonable for interim purposes.

Conclusions of Law

1. Salish Shores is a new public utility furnishing water service to customers in the Thompson Falls area. Salish Shores is subject to the supervision, regulation and control of the PSC pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA).

2. Section 69-3-304, MCA, provides that the PSC may temporarily approve initial rates pending a hearing or final decision.

3. The PSC concludes that the grant of an interim rate increase as set forth is just and reasonable and within the discretion granted by § 69-3-304, MCA.

Order

1. Salish Shores is hereby granted authority to implement, on an interim basis, initial rates as indicated in the Findings of Fact for its customers in the Salish Shores, Tradewinds and Trailhead Terrace subdivisions in or near Thompson Falls.

2. Salish Shores must file tariffs in compliance with this Interim Order within 30 days of the service date of this order.

3. Salish Shores will file a general rate case by July 1, 2009 or at 75% build-out of any of the subdivisions, whichever occurs first.

4. Nothing in this Order precludes the PSC from adopting in a subsequent Interim Order or a Final Order a revenue requirement different from that in this Interim Order. If the final decision is to disapprove all or part of the requested initial rates, the PSC may order a rebate to consumers of the amount collected, retroactive to the effective date of this Interim Order and shall order interest to be paid on any such rebate.

5. Interim approval of any matter in this proceeding should not be viewed as final endorsement by the PSC of any issues, calculations, or methodologies approved in the Interim Order.

6. This Interim Order is effective for all services rendered on and after January 4, 2007.

DONE IN OPEN SESSION at Helena, Montana on this 4th day of January, 2007 by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GREG JERGESON, Chairman

DOUG MOOD, Vice Chairman

BRAD MOLNAR, Commissioner

BOB RANEY, Commissioner

KEN TOOLE, Commissioner

ATTEST:

Connie Jones
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.